

State Budgets Need a Full-Body Scan

Written by Brent Regan
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Editorial: With budget shortfalls an estimated \$140 billion collectively, many U.S. states are facing Greece-like crises. While many states are considering cuts, tax increases or both, a detailed pat down into state and local employee pay and benefits should be their top priority.

- Half of all state and local government money was spent on wages and benefits in 2008 to the tune of \$1.1 trillion, according to Sunshine Review.
- States have fallen \$1 trillion short on what they are required to pay retired workers, according to the Pew Center on the States. Some estimates are even higher.

American taxpayers who are struggling to make ends meet are being forced to fund bloated systems rampant with abuse.

- According to the Chicago Tribune, "In Glencoe [Illinois], a free Jeep, bonuses and other perks to an outgoing parks director cost local taxpayers an extra \$350,000. Joliet [IL] officials literally wrote pension spiking into the employee handbook, costing taxpayers there nearly \$500,000 extra on the outgoing city manager alone."
- A former city manager in California receives an annual \$500,000 retirement check.
- "Public safety workers in CalPERS can retire at age 50 after 30 years of work with benefits equal to 90 percent of their final salary," according to the Cato Institute.

Many state employees have figured out how to game the system.

- After earning less than \$10,000 a year for 24 years a New Jersey public employee spent one year as a prosecutor with a salary of \$141,000, raising his yearly pension from \$3,600 to \$70,000.
- An employee of the Department of Corrections in Massachusetts spent almost 30 years as an administrative assistant before becoming a prison guard. After working only one year as a corrections officer, her retirement will be that of a career prison guard.

Others have figured out that they can retire early, collect their generous pensions and then simply be rehired by the state, collecting both a pension and a paycheck, which is legal in several states.

- Judicial Watch uncovered a Phoenix Police Chief who was collecting a pension after he retired, while receiving a full salary for the identical job under a different title.
- According to Ohio News Organization (OHNO) 27 percent of Ohio's school superintendents are rehired retirees, who began collecting their pensions in their early 50s while still receiving regular paychecks.
- According to the Plain Dealer, "More than 150 of the state's [Ohio's] 613 superintendents collect paychecks and pensions at the same time. Over the past decade, a growing number of school chiefs have cut deals to retire, collect public pensions and return to work, often in the same jobs. In a single weekend, these superintendents increase their earnings by as much as 80 percent."

While many states are attempting to address pension abuse, American taxpayers are still on the hook funding pensions of which they could only dream. It is no wonder two-thirds of the respondents of a recent Pew Center for the States poll said they "**either never trust the state government to do what is right or trust it only some of the time.**" When the year of austerity hits the states, elected officials may find their constituents marching on their state capitol steps rather than in Washington DC.



About the author:

Founder and President of Regan Designs, an entrepreneur and design engineer, inventor (11 patents) and problem solver, specializing in designing electromechanical products for clients in the medical, aerospace, defense, marine and automotive industries. Bent co-developed the Liquid Robotics "Wave Glider", which won the 2010 Wall Street Journal Technology Innovation AWARD. He was the Co-Founder and President of Regan Stent (Coronary Vascular stents) and



inventor of the Electronic Flight Bag (a self contained tablet computer for commercial aviation navigation). Brent was the builder of the Regan Lancair IV-P High performance (300 MPH) experimental aircraft. He is an instrument rated private pilot and winner of the 1996 Great Cross Country Air Race. Brent was also the Co-Founder and Director of Engineering of Schilling Robotics Servohydraulic Telemanipulators (Robotic Arms) for hazardous and remote applications, used to seal the recent Gulf Oil Leak. He also was the Founder and President of Genesis Engineering (1982-1986) high performance engine development for motorsports, and founder of Porschotech Inc., Porsche automobile service and racing preparation. Brent won the RDC 4 hour Endurance Road Race twice (1982 & 1983) and the USARM Award for Competitive Achievement (1983). Brent was also the Designer and Builder of the "Plug-In" street licensed electric car (1977). Brent has been a member of American Mensa High IQ society since 1993 and in the 99.9 percentile ranking, the Society of Automotive Engineers since 1983, and the Aircraft Owners and Pilots Association since 1992. He enjoys life in North Idaho with his wife of 24 years and three children.

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